

**Twenty-First Meeting of the
IMF Committee on Balance of Payments Statistics
Washington D.C. November 4-7, 2008**

Activities of the Inter-Agency Task Force on Finance Statistics (TFFS)

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International Monetary Fund**

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Activities of the Inter-Agency Task Force on Finance Statistics (TFFS) Since the 2007 Meeting of the IMF Committee on Balance of Payments Statistics

EXECUTIVE SUMMARY

The annual meeting of the Inter-Agency Task Force on Finance Statistics (TFFS)¹ at IMF's headquarters in Washington on April 3-4, 2008 was an occasion to discuss the following: enhancements of the JEDH; progress in the project to provide quarterly debt data in the World Bank debt database for countries that participate in the GDDS; work on methodology, including issues on external debt emerging from BPM6 and the public sector debt compilation guide; and capacity building, including training on external debt statistics. The TFFS, a valuable forum that promotes inter-agency cooperation in the field of debt statistics, both external and domestic, agreed to launch its own website during 2008 marking the 10th year after the TFFS reconvened. This report is provided to the Committee members for information.

I. AVAILABILITY OF DEBT DATA

A. JEDH Issues

1. A new version of the Joint External Debt Hub (JEDH) went public at end-January 2008 (<http://www.jedh.org>). The enhanced JEDH version includes (i) quarterly insured export credit exposures data (and metadata) provided by the Berne Union to BIS from 2005Q1; (ii) two lines as memorandum items at the end of table, showing countries' total debt liabilities to BIS reporting banks (locational and consolidated statistics); (iii) four rather than three quarters "on-the-screen"; (iv) renaming the table lines using a self-explanatory title linked to relevant metadata; and (v) two Excel files with all data from 2003Q3 to facilitate data downloading. These enhancements were the result of collaborative efforts among the BIS and the Berne Union, the IMF, and the World Bank.
2. As required by the JEDH Service Level Agreement (SLA), subscribed by four TFFS agencies (BIS, IMF, OECD, and the World Bank), two tables of the Annex 1 of the SLA were updated to reflect the changes made to enhance the JEDH. The TFFS acknowledged this amendment to Annex I of the SLA. In 2009, the SLA is due for its first triennial review by the four agencies.
3. Regarding OECD's data availability, progress was made in processing OECD's official bilateral loans position data, thanks to a contribution made by Austria in 2007. In June 2008, OECD sent 2004-2005 data to the World Bank. These data are currently under review and will

¹ The TFFS agencies represented in the meeting were the BIS, Commonwealth Secretariat (COMSEC), European Central Bank, IMF, UNCTAD, and the World Bank. The other TFFS agencies—EUROSTAT, the OECD, and the Paris Club Secretariat—did not attend. OECD participated during the second day of the meeting through teleconference.

be posted to the JEDH soon. Data from 2006 onwards have not yet been processed as funding is not yet secured, but OECD has reaffirmed its commitment to work on these data subject to resources becoming available. On the other hand, processing of export credit position data by OECD's Export Credit Division continues to be suspended due to resource constraints with no firm timescale for its restart.

B. World Bank Debtor Data

4. The expansion of the Quarterly External Debt Statistics (QEDS)² database to selected GDDS countries (GDDS/QEDS) was successfully launched in February 2008. In the first stage of the project, the IMF/World Bank invited 27 low-income countries (LICs) included in a priority list to participate in the project. The country response has been encouraging; 16 priority countries have agreed to participate (Albania, Bolivia, Burkina Faso, Ethiopia, Georgia, Ghana, Honduras, Madagascar, Mongolia, Nicaragua, Pakistan, Rwanda, Sri Lanka, Tonga, Uganda, and Yemen). Ten of these countries have already provided data to GDDS/QEDS.³ Along with the quarterly public and publicly-guaranteed mandatory external debt position data (Table 1), most of these countries have also reported data for the other three GDDS/QEDS tables, including instrument breakdown, creditor sector information and debt-service payment schedule.

5. The TFFS welcomed the significant progress made in the project and agreed on approaching the remaining GDDS countries during 2008.⁴ Based on the experience in the initial phase, it is expected that 25-30 additional GDDS countries may be able to participate in 2009.

C. Public Sector Debt Statistics

6. STA has made some progress in populating the Public Sector Debt Template (PDT) with data available in international agencies and national sources. This includes activities related to: (i) the customization of the PDT for missions by the IMF's African Department, (ii) work with EUROSTAT with the view of exchanging available data, (iii) the harmonization of government finance statistics in Central America and the Dominican Republic, and (iv) work with the IMF's Western Hemisphere Department to help STA better understand the analytical usefulness of the PDT for countries in the region.

² The QEDS database is available at <http://worldbank.org/qeds>

³ Sixty one countries report total external debt data with a quarterly frequency to the SDDS/QEDS database launched in November 2004.

⁴ Over 90 member economies of the IMF are participants in the GDDS.

II. METHODOLOGY

A. Issues on External Debt Statistics Emerging From *BPM6*

7. The Fund has been working on compiling a list of external debt issues for which advice to external debt compilers on the appropriate methodological treatment would need to be provided in order to be consistent with *BPM6*. To this end, an initial paper on the changes in *BPM6* affecting the *External Debt Guide* was prepared for TFFS review. The paper identified the issues to be addressed and provided an initial recommendation on their appropriate treatment in the *External Debt Guide*. As indicated in last year's report to BOPCOM, the core structure of the *External Debt Guide* will not be affected. Only a limited number of the changes in *BPM6* will require methodological changes in the *External Debt Guide*, with most changes either minor modifications in concepts and classification or clarifications of the methodological treatment.

8. The IMF will distribute the finalized paper to TFFS members after *BPM6* is completed, before posting it on the new TFFS website and TFFS members' websites for use by external debt compilers. The paper will provide guidance to external debt compilers on the appropriate methodological treatment during the transition period between the dates when *BPM6* is finalized at end-2008 and when the *External Debt Guide* is updated in 2013.

B. Public Sector Debt Statistics Guide

9. STA prepared a draft annotated outline of the *Public Debt Guide* to which several suggestions were provided by TFFS members, including the need for (i) guidance on consistent instrument classifications and sectoral breakdowns; (ii) specific chapters on domestic debt, nontraded debt, debt securities, and reporting arrangements for foreign holding of domestic debt; (iii) guidance on accrual principles and valuation methods of securities; (iv) methodological treatment of currency unions; and (v) the inclusion of case studies and appendices on debt instruments/transactions as in the *External Debt Guide*. The TFFS emphasized that the *Public Debt Guide* should be consistent with the *External Debt Guide* and other macroeconomic manuals such as the *GFSM 2001* and the *System of National Accounts (SNA)*, and highlighted the importance of the *Public Debt Guide* being a cooperative effort of the agencies, as it was the case with the *External Debt Guide*.

10. The IMF is preparing a revised annotated outline following comments made by TFFS agencies. Based on the revised annotated outline, TFFS agencies will be provided with options for their participation in the preparation of the *Public Debt Guide* and will indicate their intention to participate by December 2008. The IMF offered to coordinate the preparation of the *Public Debt Guide* and to draft a number of its chapters.

III. QUALITY OF EXTERNAL DEBT DATA

A. IIP/External Debt Comparison Work to Enhance Data Consistency

11. STA concluded the project initiated in 2006 to assess the consistency of external debt data reported by SDDS countries to the QEDS and corresponding data series reported by countries in their international investment position (IIP). The project was geared towards improving countries' external debt and IIP data for effective use in economic surveillance work. Comparator tables were produced for all countries that reported both external debt data for the QEDS and IIP data for *BOPSY 2005* and *BOPSY 2006*, and when appropriate, these tables were sent to countries for verification of the discrepancies, particularly in sector, maturity, and instrument classification. Main differences were reviewed, and for some countries, specific actions for closing the gaps were identified.

12. The IMF will continue to give a high priority to assessing the consistency of these data. The preparation of comparator tables has been included in STA's work program for 2008. To this end, a semi-automated IT application is available to produce comparator tables as requested by STA economists as part of their country work on external sector statistics.

IV. CAPACITY BUILDING

A. Regional Training on External Debt Statistics

13. Since 2002, the IMF, with the collaboration of other TFFS agencies, has provided extensive training on external debt statistics through 15 regional training courses and two courses at Headquarters. Nevertheless, as anticipated in the previous TFFS report to the Committee, IMF training on external debt statistics has been reduced significantly since 2008, as more emphasis is being placed on training compilers for the new *BPM6* and the launching of the Coordinated Direct Investment Survey (CDIS). During 2008, the IMF, with the collaboration of BIS, COMSEC, and UNCTAD, has conducted a two-week regional course on IIP/External Debt Statistics in Pune, India, for 30 data compilers/users from ten countries in South Asia and East Africa (September 2008). A four-week course on External Debt Statistics at the IMF Headquarters is scheduled for July 2009, where debt compilers from about 40 countries will participate. In addition to these training activities, COMSEC and UNTAD also provide support to countries in the production and dissemination of external debt statistics.

14. In 2008, COMSEC has released an enhanced version of its debt management/recording software (CS-DRMS 2000+). During 2008 so far, COMSEC has organized a number of activities related to debt statistics and debt management, including the Caribbean Regional Workshop on Debt Management in St. Kitts (February 2008), the Regional Workshop on Debt Reporting and Analysis for West Africa in Abuja (April 2008), and the Debt Management Forum in London (June 2008). During this period, COMSEC has also provided country specific training, including the Workshop on External Debt Management and Reporting in

15. Similarly, UNCTAD will provide an advance release of the new version of its debt management/recording software (DMFAS 6.0) in late 2008, which will further enhance its current version (DMFAS 5.3) by adding new functionalities on debt securities, analytical aspects, reports and the DMFAS Portal. The full release of DMFAS 6.0—scheduled for mid-2009—will be web-enhanced and will apply a modular approach, as well as new features including debt reorganization, private sector external debt, domestic debt reporting, and an auction module. So far in 2008, UNCTAD conducted national workshops on debt statistics in Ethiopia, Chad, Congo D.R., Guatemala, Iraq, Jordan, and Nicaragua, and on data validation in Algeria, Bangladesh, Central African Republic, Chad, Congo DR, Costa Rica, Egypt, Guatemala, and Sudan. During this period, follow-up country-specific missions to improve external debt data quality have also been conducted in Ethiopia, Iraq, and Yemen.

B. World Bank Debt Management Performance Assessment Tool

16. The World Bank continues work on the implementation of the Debt Management Performance Assessment (DeMPA) in several developing countries, including work to support the design of medium-term debt management strategies in LICs. As informed in last year's TFFS report to the Committee, DeMPA is a methodology for assessing public debt management performance through a comprehensive set of 15 indicators for the full range of government debt management functions.

17. The World Bank has recently conducted a three-day seminar hosted by UNCTAD in Geneva (September 3-5, 2008) that provided training on the rationale, scope, coverage, and application of the DeMPA tool and guide. The training included a mix of both basic and advanced sessions in debt management, as well as presentations and hands-on case studies.

V. TFFS WEBSITE

18. Considering that the TFFS is well known by its outputs, such as the *External Debt Guide*, the QEDS, and the JEDH, the TFFS agreed to create a website to include the relevant documentation in terms of agendas and other nonconfidential documents, including the TFFS annual reports to the Committee. The TFFS agreed that these documents be included in the website as constituting a chronological reporting of its activities for previous years. The TFFS website would be linked to other relevant websites, including the institutional websites of all TFFS agencies. To this end, the IMF has already bought the domain name "tffs.org". The TFFS website will be managed by the Secretariat in the IMF. The TFFS agencies have already agreed on the structure and content of the TFFS website, and work is in progress at the IMF for its launching in the last quarter of 2008.

VI. NEXT MEETING

19. The TFFS will next meet in Basel at the BIS Headquarters in March 2009.